

C O N T E N T S

DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTION AND EASEMENTS
OF
LIBERTY DOWNS

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DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
OF
LIBERTY DOWNS

THIS DECLARATION, made on May 23, 1986, by Liberty Life Insurance Company, a South Carolina corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the fee simple Owner of certain real property with improvements thereon, sometimes referred to herein as "Liberty Downs", in Williamson County, State of Tennessee which is more particularly described in Exhibit A, attached hereto and made a part hereof, together with such additions thereto as may from time to time be designated by Declarant and made subject to this Declaration by amendment hereto, all hereinafter referred to collectively as the "Property".

NOW THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to this Declaration of Covenants, Conditions Restrictions and Easements, which Declaration of Covenants, Conditions, Restrictions and Easements shall be and are easements, restrictions, covenants and conditions appurtenant running with the land, and shall be binding upon and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, and their respective heirs, successors and assigns, as their respective interests may appear.

ARTICLE I

DEFINITIONS

Unless the context expressly requires otherwise, the terms listed in this Article I shall have the following meaning whenever used in this Declaration

of Covenants, Conditions, Restrictions and Easements, the Association's Articles of Incorporation, or the Association's By-Laws:

Section 1. "Association" shall mean and refer to Liberty Downs Homeowners Association, Inc., a Tennessee nonprofit corporation and its successors and assigns.

Section 2. "Association Documents" shall mean the Association's Articles of Incorporation and By-Laws as the same may from time to time be amended and exist.

Section 3. "Board" shall mean the Board of Directors of the Association, whose duties shall be the management of the affairs of the Association subject to this Declaration and Association Documents.

Section 4. "Builder" means any person or entity who acquires a Lot from Developer for the purpose of constructing thereon a single-family residence and appurtenances, for resale in the ordinary course of the business of such person or entity.

Section 5. "Common Area" shall mean all real property (including any improvements thereon) which shall from time to time be designated by Declarant for the common use and enjoyment of the Owners, or conveyed to the Association in fee simple; including, but not limited to the "Landscape Easements", "Fence Easements" and "Landscape and Fence Easements" as shown on the Plat as defined herein; together with the rights-of-way, easements appurtenant, improvements and hereditaments described in this Declaration, all of which shall be and are covenants running with the land at law.

Section 6. "Declarant" shall mean and refer to Liberty Life Insurance Company, and such of its successors and assigns in interest to the business of Liberty Life Insurance Company as are so designated by the Declarant by a written instrument recorded in the Register's Office for Williamson County, Tennessee.

Section 7. "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions and Easements, as the same may be amended, renewed, or extended from time to time in the manner herein prescribed.

Section 8. "Liberty Downs Homeowners Association Rules" shall mean those rules and regulations that the Association shall from time to time, adopt, promulgate, amend, revoke, and enforce to govern the use and maintenance of the Common Area.

Section 9. "Lake" shall mean all real property which is designated on the Plat as a Lake.

Section 10. "Law" shall include any statute, ordinance, rule, regulation or order validly created, promulgated or adopted by the United States, or any of its agencies, officers or instrumentalities, or by the State of Tennessee, or any of its agencies, officers, municipalities or political subdivisions, or by any officer, agency or instrumentality of any such municipality or subdivision, and from time to time applicable to the Property or to any activities on or about the Property.

Section 11. "Lot" shall mean and refer to a plot of land shown and identified by number upon the Plat now or hereafter made subject to this Declaration, which is intended for single-family residential use.

Section 12. "Mortgage" shall mean chattel mortgage, bill of sale to secure debt, deed of trust, deed to secure debt and any and all other similar instruments given to secure the payment of an indebtedness.

Section 13. "Owner" shall mean and refer to the record owner, and if more than one person or entity, then to them collectively, of the fee simple title to any Lot which is a part of the Property, so that for purposes of this Declaration and the Association Documents, as defined herein, each Lot shall be deemed to have one Owner. Both the Declarant and Builders are Owners for all purposes under this Declaration, to the extent of each Lot owned, except where expressly provided otherwise.

Section 14. "Person" shall mean an individual, corporation, partnership, trust, or any other legal entity.

Section 15. "Plat" shall mean that certain plat entitled "Liberty Downs Subdivision" and recorded in Plat Book 10, Page 92, in the Register's Office for Williamson County, Tennessee, as well as all future recorded plats, if any, describing those certain parcels of land annexed, as described thereon, and made subject to this Declaration by amendment hereto.

Section 16. "Recorded" shall mean filed for record in the Register's Office for Williamson County, Tennessee, or such other place as from time to time is designated by Law for providing constructive notice of matters affecting title of real property in Williamson County, Tennessee.

Section 17. ~~"Structure"~~ shall mean:

(a) Any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse, bathhouse, coop or cage, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, tree, shrub, sign, signboard, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Lot;

(b) Any excavation, grading, fill, ditch, diversion, dam, or other thing or device which affects or alters the flow of any waters in any nature or wash or drainage channel from, upon or across any Lot.

Section 18. "Landscape and Fence Easements" shall mean the perpetual easements for construction and maintenance of landscaping, signs, walls, fences and appurtenances thereto as shown on the Plat.

Section 19. "The Work" shall mean the initial development of the Property by Declarant and includes the sale of completed Lots, with or without residential dwellings, in the ordinary course of Declarant's business.

ARTICLE II

COMMON AREA

Section 1. Conveyance of Common Property. The Declarant may from time to time designate and convey to the Association real property in fee simple to be the Common Area for the common use and enjoyment of the Owners, subject to this Declaration. The Association hereby covenants and agrees to accept from the Declarant title to all easements and all such conveyances of Common Area subject to the terms and conditions of this Declaration and the obligations set forth herein.

Section 2. Owners' Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot; provided, however, that no Owner shall do any act which interferes with the use and enjoyment of the Common Area by all other Owners; and provided further, said easement shall be subject to the following rights, title and interest:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the

Common Area and to impose reasonable limits upon the number of guests who may use these facilities;

(b) the right of the Association to suspend the voting rights and right to the use of the Common Area by an Owner for any period during which any Assessment, as defined herein, against his Lot remains unpaid, or any Owner who shall be subject to a Right of Abatement, as defined in Article VIII Section 1, by reason of having failed to take reasonable steps to remedy a violation or breach of either this Declaration, Association Documents, or the violation or breach of either this Declaration, Association Documents, or the Design Standards of the Architectural Control Committee, as defined herein, within thirty days after having received notice of the same; and for a period not to exceed 60 days for any other infraction of the Association Documents or Liberty Downs Homeowners Association Rules;

(c) the right of the Declarant and the Association to grant easements in and to the Common Area for all utility services, including cable television and other public uses which benefit the subdivision as a whole;

(d) the right of the Association to take such steps as are reasonably necessary to protect the Association property against foreclosure;

(e) the right of the Association to borrow money for the purpose of improving the Common Area or acquiring additional common area property, and to mortgage or otherwise burden or encumber the Common Area. Any such loan may be from the Declarant. In the event of a default upon any such mortgage or other burden or encumbrance, the lender, in addition to its

other remedies, shall have a right, after taking possession of such property (where such right to possession exists) to charge admission and other fees as a condition to continued enjoyment of such property to a wider public until the mortgage or other debt is satisfied. Whereupon the possession of such property shall be returned to the Association and all rights of the members hereunder shall be fully restored;

(f) the right of the Association to dedicate, transfer and convey all or any part of its right, title and interest in the Common Area to any public agency, authority, or utility; or, subject to such conditions as may be agreed to by the Lot Owners, to any other Person for such purposes. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of those members of the Association authorized to vote has been recorded.

(g) The Declarant hereby retains the right to the exclusive use of any Lot or Lots for purposes of sales and other commercial activities necessary for completion of the Work until Declarant completes its sales efforts or until January 1, 1995, whichever first occurs.

Section 3. Responsibilities of the Association. Upon conveyance, the Association shall be responsible for the Common Area, including but not limited to, its operation, management, care, restoration, insurance, renovation, alteration, reconstruction, repair, maintenance, rebuilding, replacement, improvement, taxes and utilities.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws and Liberty Downs Homeowners Association Rules, his right of enjoyment to the Common Area and facilities to members of his family, tenants, social and business invitees or contract purchasers who reside on the Property.

Section 5. Destruction of Common Area. In the event of a total or partial destruction of the Common Area, and if available proceeds of insurance carried pursuant to this Declaration are sufficient to cover 85% of the repair or reconstruction, the Common Area shall be promptly repaired and rebuilt unless within 120 days from the date of such destruction, 75% or more of the Owners entitled to vote at a duly called meeting, determine that such reconstruction shall not take place. If the insurance proceeds are less than 85% of the cost of reconstruction, reconstruction may nevertheless take place if, within 120 days from the date of destruction, a majority of the Lot Owners elect to rebuild.

ARTICLE III

LIBERTY DOWNS HOMEOWNERS ASSOCIATION, INC.

Section 1. Purpose. The Association shall be formed for the purpose of maintaining the Common Area, and for such other purposes as set forth herein.

Section 2. Membership

(a) Each Owner, by virtue of being an Owner and for so long as he is an Owner, shall automatically be a member of the Association. Association membership shall be an interest appurtenant to title of each Lot and may not be separated from ownership of any Lot which is subject to assessment, as set forth herein, and shall be transferable only as part of the fee simple title to each Lot.

(b) The rights, duties, privileges and obligations of an Owner as a member of the Association shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of this Declaration and the Association Documents; provided, that, if a conflict arises between the Declaration and the Association Documents, the Declaration shall take priority.

Section 3. Voting. The Association shall have two classes of voting membership:

Class A. So long as there is Class B membership, Class A members shall be all Owners, except the Declarant, and shall not be entitled to vote. Upon termination of Class B membership, Class A members shall be all Owners, including Declarant so long as Declarant is an Owner. Each Owner shall be entitled to one vote for each Lot owned. If more than one (1) Person owns an interest in any Lot, all such Persons are members; but there may be only one (1) vote cast with respect to such Lot. Such vote may be exercised as the Owners determine among themselves; but no split vote is permitted.

Class B. The Class B member shall be the Declarant and as long as there is a Class B voting membership the Declarant shall have sole voting power. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When all the lots in Liberty Downs as shown on the Plat have been fully developed, permanent improvements constructed thereon, and sold to permanent residents, or
- (b) on January 1, 1995, or
- (c) When Declarant elects by notice to Association in writing to terminate its Class B membership.

Section 4. Rights and Obligations of the Association. Besides those responsibilities to the Common Area outlined in Article II the Association must also manage, operate, maintain, repair, service, replace and renew all rights-of-way for common use within the Property, and all improvements therein, to the extent such activities are not performed by any public

authority or utility. The Association, in any event, shall have the duty and responsibility to maintain all irrigation systems and landscaping and signs constructed by the Declarant servicing the Common Area. The Association also may provide other services, such as, but not limited to security services, as the Association deems appropriate.

Section 5. Services. The Association may obtain and pay for the services of any Person to manage its affairs to the extent the Board deems advisable, as well as such other personnel as the Board determines are necessary or desirable, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts. Without limitation, the Board may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of this Declaration, the Association Documents or Liberty Downs Homeowners Association Rules.

Section 6. Capital Improvements. Except for replacement or repair of items installed by Declarant as part of the Work, if any, and except for any personal property related to the Common Area, the Association may not expend funds for capital improvements to the Common Area without the prior approval of two-thirds (2/3) of those members of the Association authorized to vote.

Section 7. Personal Property. The Association may acquire, hold and dispose of tangible and intangible personal property, subject to such restrictions as from time to time may be contained in the Declaration and the Association Documents.

Section 8. Liberty Downs Homeowners Association Rules. The Association from time to time may adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Lots, Common Area, or any

combination thereof, which rules and regulations shall be consistent with the rights and duties established by this Declaration. These regulations shall be binding upon Owners and the Association may impose reasonable monetary fines and other sanctions for violations of the rules which may be collected by lien and foreclosure as provided herein. All rules and regulations initially may be promulgated by the Board, subject to amendment or rescission by a majority of both classes of membership present and voting at any regular or special meeting convened for such purposes. The Association's procedures for enforcing its rules and regulations at all times shall provide the affected Owner with reasonable prior notice and a reasonable opportunity to be heard, in person and through representatives of such Owner's choosing.

Section 9. Powers and Authority. The Association shall have the power and authority to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association for the safety and/or general welfare of the Owners. Without in any way limiting the generality of the foregoing, the Association shall have the power and authority at any time and from time to time, and without liability to any Owner, to enter upon any Lot for the purpose of enforcing any and all of the provisions called for herein, or for the purpose of maintaining and repairing any such Lot if for any reason whatsoever the Owner thereof fails to maintain and repair such Lot as required. The Association shall also have the power and authority from time to time, in its own name, or its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened

breach of this Declaration, the Association Documents and the Liberty Downs Homeowners Association Rules and to enforce, by mandatory injunction or otherwise, the provisions of this Declaration, the Association Documents, and Liberty Downs Homeowners Association Rules.

ARTICLE IV

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, hereinafter referred to as "Annual Assessments", (2) special assessments for capital improvements, hereinafter referred to as "Special Assessments", and (3) specific assessments for acquired indebtedness hereinafter referred to as "Specific Assessments" such assessments to be established and collected as hereinafter provided. The Annual, Special and Specific Assessments, hereinafter collectively referred to as "Assessments", together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each Assessment is made. The Assessments, together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessments fell due. However, the personal obligation of an Owner for delinquent Assessments shall not pass to said Owner's successors in title unless expressly assumed in writing by such successor.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of carrying out the

rights and obligations of the Association as defined in this Declaration, including but not limited to the acquisition, management, insurance, improvement, restoration, renovation, reconstruction, replacement, and maintenance of the Common Area; the maintenance of a reserve fund for the replacement of the Common Area and all improvements thereon, anticipated to be required in the future; the enforcement of the Declaration and Association Documents; the enforcement of Design Standards of the Architectural Control Committee; the payment of operating costs and expenses of the Association; and the payment of all principal and interest when due and all debts owed by the Association.

Section 3. Annual Assessment. The Annual Assessment shall be used exclusively to promote the recreation, health, safety and welfare of the residents within the Property, including (i) the operation, management, maintenance, repair, servicing, security, renewal, replacement and improvements of the Common Area and those other responsibilities as outlined herein, and (ii) all other general activities and expenses of the Association, including the enforcement of this Declaration. The Annual Assessment shall include the property taxes of the Common Area.

Section 4. Maximum Annual Assessment. Until January 1, 1987, the Annual Assessment will not exceed Two Hundred and Fifty Dollars (\$250.00) per year per Lot. At least thirty (30) days before the expiration of each year, the Board will prepare and distribute to each Owner a proposed budget for the Association's operations during the next ensuing year. If such budget requires an Annual Assessment of not more than one hundred fifteen percent (115%) of the Annual Assessment then in effect, the assessment so proposed will take effect at the commencement of the next ensuing year without further

notice to any Owner. If such budget requires an Annual Assessment that is more than one hundred fifteen percent (115%) of the Annual Assessment then in effect, however, the Board must call a membership meeting as stated herein. A majority of those Owners present and authorized to vote and voting is sufficient for such approval, and the assessment approved will take effect at the commencement of the next ensuing fiscal year without notice to any Owner. If the proposed assessment is disapproved, a majority of the Owners present who are authorized to vote and voting will determine the Annual Assessment for the next ensuing fiscal year, which may be any amount not exceeding that stated in the meeting notice. Each Annual Assessment may be payable in such number of installments, or without interest, as the Board determines. In the absence of any valid action by the Board or the membership to the contrary prior to the commencement of any fiscal year, the Annual Assessment then in effect automatically will continue for the ensuing fiscal year.

Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such Special Assessment shall have the assent of two-thirds (2/3) of those members authorized to vote, as defined herein, who are voting in person or by proxy at a meeting duly called for this purpose. Any such Special Assessment may be payable in one or more installments with or without interest as determined at the meeting.

Section 6. Specific Assessments. Any and all accrued, liquidated indebtedness of any Owner to the Association arising under any provision of this Declaration, or by contract, express or implied, or because of any act or omission of any Owner or person for whose conduct such Owner is legally responsible, also may be assessed by the Association against such Owner's Lot after such Owner fails to pay such indebtedness within thirty (30) days after written demand.

Section 7. Notice and Quorum for Any Action Authorized Under Article IV. Written notice of any meeting called for the purpose of taking any action authorized to increase the Annual Assessment shall be sent to all members authorized to vote not less than 10 days nor more than 30 days in advance of the meeting; and for all other Assessments notice shall be sent to all members authorized to vote not less than 5 business days nor more than 10 days in advance of the meeting.

Section 8. Uniform Rate of Assessment and Declarant's Obligations for Assessments. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, provided however, that notwithstanding anything herein to the contrary that in no event shall Declarant be obligated to pay more than the lesser amount of twenty-five percent (25%) of the aggregate sum of the Annual Assessment and Special Assessment levied against all Lots owned by Declarant during each calendar year which annual assessment shall be prorated for the period of time during which calendar year the Declarant is the Owner of said Lot) or such amount necessary to fund any difference between the Association's operating expenses and the Annual Assessments collected from Owners other than the Declarant.

Section 9. Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of Annual Assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

Section 10. Date of Commencement. The Annual Assessments provided for herein shall commence as to all Lots as of the first day of the month following the recording of this Declaration. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

Section 11. Certificate as to Status of Payment. Upon written request of an Owner, the Association shall, within a reasonable period of time, issue a certificate to that Owner giving the status of all Assessments, including penalties, interest and costs, if any, which have accrued to the date of the certificate. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided shall be conclusive and binding with regard to any matter therein stated. Notwithstanding any other provision of this Section, a bona fide purchaser of a Lot from an Owner to whom such a certificate has been issued shall not be liable for any Assessments that became due before the date of the certificate that are not reflected thereon and the Lot acquired by such a purchaser shall be free of the lien created by this Article to the extent any such Assessment is not reflected.

Section 12. Assessment Lien. All sums assessed to any Lot, together with interest and all costs and expenses of collection (including reasonable attorneys' fees for trial and all appellate proceedings), are secured by a continuing lien on such Lot in favor of the Association. Such lien is subject and inferior to the lien for all sums secured by any First Mortgage encumbering such Lot, as provided herein; but all other Persons acquiring liens on any Lot after this Declaration is recorded are deemed to consent that such liens are inferior to the lien established by this Declaration whether or not such consent is set forth in the instrument creating such lien. The recording of this Declaration constitutes constructive notice to all subsequent purchasers and creditors, or either, of the existence of the Association's lien and its priority. The Association from time to time may, but is not required to, record a notice of lien against any Lot to further evidence the lien established by this Declaration.

Section 13. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within ten (10) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or at such rate as the Board may from time to time establish provided, however, that in no event shall the Association have the power to establish a rate of interest in violation of the law of the State of Tennessee. The Board may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Property. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the Associations' lien on its priority. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Section 14. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first Mortgage. Sale or transfer of any Lot shall not affect an Assessment lien, except the sale or transfer of any Lot pursuant to the foreclosure of a first mortgage or any proceeding or conveyance in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer, without prejudice however, to the Associations right to collect such amounts from the Owner personally liable for their payment. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Any encumbrancer holding a lien on a Lot may pay, but is not required to pay, any amount secured by the lien created by this Article; and such encumbrancer then will subrogate to all rights of the Association with respect to such lien, including priority, to the extent of such payment.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Creation and Composition. The "Architectural Control Committee" shall mean, as follows: Until all the Lots in Liberty Downs have been fully developed, permanent improvements constructed thereon, and sold to permanent residents, the Architectural Control Committee shall mean the Declarant. At such time as Declarant decides or at such time as all of the Lots in Liberty Downs have been fully developed, permanent improvements constructed thereon, and sold to permanent residents, whichever is sooner, the Declarant shall notify the Board and all the Owners of Lots in Liberty Downs to that effect, and, thereupon, the Declarant's rights and obligations as the Architectural Control Committee shall forthwith terminate. Thereafter, the

Board shall have the right, power, authority, and obligation to establish a successor Architectural Control Committee as a committee of the Association in accordance with the Association Documents and prescribe rules and regulations pursuant to which such Committee shall act.

Section 2. Design Standards. The Architectural Control Committee shall from time to time, subject to this Declaration and the Association Documents, adopt, promulgate, amend, revoke, and enforce guidelines, hereinafter referred to as the "Design Standards" for the purposes of:

(i) governing the form and content of plans and specifications to be submitted to the Architectural Control Committee for approval pursuant to this Declaration;

(ii) governing the procedure for such submission of plans and specifications; and

(iii) establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of any Structure, all landscaping, and all other matters that require approval by the Architectural Control Committee pursuant to this Declaration.

Section 3. Review and Approval of Plans. No Structure shall be commenced, erected or maintained on any Lot, nor shall any exterior addition to or alteration thereof be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to the Architectural Control Committee for written approval (i) as to conformity and harmony of external design and general quality with the existing standards of the neighborhood and with the standards of Liberty Downs, (ii) as to the location of the Structure in relation to surrounding

Structures and topography and finished ground elevation, and (iii) shall be consistent with the provisions of this Declaration. In the event the Architectural Control Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted in writing; or in any event, if no suit to enjoin the addition, alteration or change has been commenced prior to completion thereof, approval by the Architectural Control Committee will not be required.

Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the Architectural Control Committee including, without being limited to:

- (a) a site plan showing the location of all proposed and existing Structures on the Lot including building setbacks, open space, driveways, walkways and parking spaces including the number thereof;
- (b) a foundation plan;
- (c) a floor plan;
- (d) exterior elevations of any proposed Structure and alterations to existing Structures, as such Structures will appear after all backfilling and landscaping are completed;
- (e) specifications of materials, color scheme, lighting schemes and other details affecting the exterior appearance of any proposed Structure and alterations to existing Structures; and
- (f) plans for landscaping and grading, especially if unusual site conditions exists.

Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to this Declaration, a copy of such plans and specifications, as approved, shall be deposited for permanent record with

the Architectural Control Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot or Structure of any plans and specifications shall not be deemed a waiver of the Architectural Control Committee's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Lot or Structure. Approval of any such plans and specifications relating to any Lot or Structure, however, shall be final as to that Lot or Structure and such approval may not be reviewed or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

Notwithstanding anything to the contrary, the Architectural Control Committee may request changes in any plans or Structures that are completed or being built if required by Law and neither the Declarant nor the Architectural Control Committee shall be liable for damages.

Neither Declarant, nor any member of the Architectural Control Committee, shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architectural Control Committee, nor for any structural defects in any work done according to such plans and specifications approved by the Architectural Control Committee. Further, neither Declarant, nor any member of the Architectural Control Committee shall be liable in damages to anyone by reason of mistake in judgment, negligence, misfeasance, malfeasance or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or

specifications or the exercise of any other power or right of the Architectural Control Committee provided for in this Declaration. Every Person who submits plans or specifications to the Architectural Control Committee for approval agrees, by submissions of such plans and specifications, and every Owner of any Lot agrees, that he will not bring any action or suit against Declarant, or any member of the Architectural Control Committee, to recover for any such damage.

Any employee or agent of the Architectural Control Committee may, after reasonable notice, at any reasonable time, enter upon any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration, or maintenance of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and neither the Architectural Control Committee, nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Section 4. Building Construction. Not more than one single-family dwelling, not to exceed two and one-half (2½) stories in height, shall be erected on any Lot unless otherwise approved, in writing, by the Architectural Control Committee.

Section 5. Certificates. At the request of any Owner, the Association from time to time will issue, without charge a written certification that the improvements, landscaping and other exterior items situated upon such Owner's Lot have been approved by the Architectural Control Committee, if such is the case.

Section 6. Violations. If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the

plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required hereinafter. If in the opinion of the Architectural Control Committee such violation shall have occurred, the Architectural Control Committee shall notify the Board. If the Board shall agree with the determination of the Architectural Control Committee with respect to the violation then the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within thirty (30) days after the mailing of the aforesaid notice of violation, then the Association shall have in addition to any other rights set forth in this Declaration, at law or in equity.

ARTICLE VI

GENERAL COVENANTS AND RESTRICTIONS

The following covenants, conditions, restrictions and easements are herewith imposed on the Property:

Section 1. Residential Use of Property. All Lots shall be used for single-family, residential purposes only, and no business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Architectural Control Committee; provided, however, that nothing herein shall prevent Declarant or any Builder of homes in Liberty Downs from using any Lot owned by Declarant or such Builder of homes for the purpose of carrying on business related to the development, improvement and sale of Lots; provided, further, private offices may be maintained in

dwellings located on any of the Lots so long as such use is incidental to the primary residential use of the dwellings.

Section 2. Setbacks and Building Lines.

(a) Dwellings: Each dwelling which shall be erected on any Lot shall be situated on such Lot in accordance with the building and setback lines shown on the Plat or required by Law. In no event shall any dwelling be erected and located upon any such Lot in a manner which violates or encroaches upon the building and setback lines shown on the Plat or required by Law.

(b) Walls and Fences: No fence or wall shall be erected, placed, or altered on any Lot nearer to any street than the minimum building setback line unless the same be a retaining wall of masonry construction which does not in any event rise above the finished grade elevation of the earth embankment so retained, reinforced, or stabilized, except that this restriction shall not apply to fences or walls which have been approved by the Architectural Control Committee pursuant to this Declaration. The exposed part of retaining walls shall be veneered with brick or natural stone.

(c) Combination of Lots: One or more Lots or parts thereof may be combined to form one single building Lot when approved, in writing, by the Architectural Control Committee, and so long as each Standard Lot shall have an area of at least 24,000 square feet. In such event, the building and setback line requirements provided herein shall apply to such Lots as are subdivided or combined.

(d) Terraces, Eaves and Detached Garages: For the purpose of determining compliance or noncompliance with the foregoing building line

requirements, terraces, stoops, eaves, wing-walls, and steps extending beyond the outside wall of a Structure, shall not be considered as a part of the Structure. All such detached Structures must not encroach upon any side or rear setback line or upon the Lot of an adjacent Owner or upon any easement as set forth herein.

Section 3. Building Requirements. For all Lots, the ground floor living areas of the main structure, exclusive of open porches, garages, patios, gazebos and breezeways, shall be as follows:

- (a) One floor plan, with attached garage 2,400 square feet.
- (b) One floor plan, with garage in basement (this includes a plan with finished room and rooms over the garage), 2,700 square feet.
- (c) Split level, 2,800 square feet, with a minimum of 1,800 square feet on the lower level.
- (d) Two-story, 2,800 square feet, with a minimum of 1,400 feet on the lower level.

It shall be obligatory upon all owners of lots in this Subdivision which is in Williamson County, Tennessee, to construct or place any driveways, culverts, or other structures, or gradings, which are within the limits of any dedicated roadways, in strict accordance with the specifications therefor, as set forth on the recorded plan of said Subdivision, in order that the roads or streets, which may be affected by such placement or construction, may not be disqualified for acceptance into the road system of the County of Williamson and/or the City of Brentwood.

Section 4. Obstructions to View at Intersections. The lower branches of trees or other vegetation shall not be permitted to obstruct the view at street intersections.

Section 5. Delivery Receptacles and Property Identification Markers. The Architectural Control Committee shall have the right to approve the location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail, newspapers or similarly delivered materials, and of name signs for such receptacles, as well as property identification markers.

Section 6. Use of Outbuildings and Similar Structures. No Structure of a temporary nature unless approved in writing by the Architectural Control Committee shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence, either temporarily or permanently; provided, this Section shall not be construed to prevent the Declarant and those engaged in construction from using sheds or other temporary structures during construction.

Section 7. Building Materials. No building materials or equipment used for building purposes shall be stored on any Lot, except for the purpose of construction on such Lot and shall not be stored on such Lot for longer than the length of time reasonably necessary for the construction to completion of the improvement to which ~~same is to be~~ used.

Section 8. Completion of Construction. The Association shall have the right to take appropriate Court action, whether at law or in equity, to compel the immediate completion of any residence or Structure not completed within one (1) year ~~from the date of~~ commencement of construction. The construction of any dwelling, or repair or replacement of any dwelling damaged by fire or otherwise, or other Structure must be promptly undertaken and pursued diligently and continuously to substantial completion by its Owner without unreasonable delay. Without limitation, if any Owner leaves any dwelling or

Structure in an incomplete condition for a period of more than six (6) months, then the Association may complete all required restoration or construction, or may raze and otherwise remove the incomplete Structure from such Owner's Lot, by a vote of not less than two-thirds (2/3) of the members of the Board after reasonable notice to, and reasonable opportunity to be heard by, the Owner affected. All costs so incurred by the Association may be specifically assessed against such Lot as provided in Article IV, herein.

Section 9. Livestock. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other small household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purposes and are limited to two. Such household pets must not constitute a nuisance or cause unsanitary conditions.

This restriction shall not apply to Lots 38, 39, 40 and 41 as shown on the Plat to the extent that the Owner of these lots may raise and keep up to ten (10) horses on these lots.

Section 10. Offensive Activities. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owners of other Lots in Liberty Downs.

Section 11. Signs. No advertising signs or billboard shall be erected on any Lot or displayed to the public on any Lot except a professional sign one square foot in size and a sign of not more than four (4) square feet in area may be used to advertise the Lot for sale or rent. This restriction shall not apply to signs used to identify and advertise the subdivision as a whole. Also, the provisions of this Article shall not apply to anyone who becomes the Owner of any Lot as purchaser at a judicial or foreclosure sale conducted with respect to a first Mortgage or as transferee pursuant to any proceeding in lieu thereof.

Section 12. Aesthetics, Nature Growth, Screening, Underground Utility Service. Trees which have a diameter in excess of six (6") inches measured two (2') feet above ground level, and distinctive flora, shall not be intentionally destroyed or removed except with the prior approval, in writing, of the Architectural Control Committee. Garbage cans and equipment, shall be screened to conceal them from view of neighboring Lots and streets. All residential utility service and lines to residences shall be underground. Any fuel tanks must be buried. Clotheslines are not permitted.

Section 13. Swimming Pools and Tennis Courts. Swimming pools must be in ground and both swimming pools and tennis courts must be located to the rear of the main building unless a different location is authorized in writing by the Architectural Control Committee. Swimming pools and tennis courts must conform to the same setback and building requirements as all other Structures on the Property.

Section 14. Maintenance. Each Owner shall keep and maintain each Lot and Structure owned by him, including all landscaping located thereon, in good condition and repair, including, but not limited to (i) the repairing and painting (or other appropriate external care) of all Structures; (ii) the seeding, watering and mowing of all lawns; and (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same do not obstruct the view by motorists, pedestrians or street traffic. If in the opinion of the Architectural Control Committee, any Owner shall fail to perform the duties imposed by this Section, the Architectural Control Committee shall notify the Board. If the Board shall agree with the determination of the Architectural Control Committee then the Board shall give written notice by certified mail to the Owner to remedy the condition in question, setting forth in reasonable

detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner shall fail to take reasonable steps to remedy the condition within thirty (30) days after the mailing of the aforesaid notice of violation, the Architectural Control Committee and the Board shall have, in addition to all other rights set forth in this Declaration, at law or in equity, a Right of Abatement as provided in Article VIII, Section 1 hereof.

In addition, it shall be expressly understood and agreed to by each Owner that the County of Williamson and/or the City of Brentwood, Tennessee, ("Proper Governmental Authority") is hereby authorized and empowered to require the Association and each Owner, jointly and/or severally, to provide for the orderly maintenance and upkeep of the Common Areas and their respective Lots. In the event that the Proper Governmental Authority determines in its sole discretion, that the Common Areas or respective Lots are not being maintained in an orderly fashion or that the Common Areas or Lots are unsightly, the Proper Governmental Authority and its agents, may upon ten (10) days' notice to the Association enter upon the Common Areas or a Lot and make any repairs or improvements to the Common Areas or a Lot which the Proper Governmental Authority, in its sole discretion, deems necessary to restore to an orderly condition the Common Areas or a Lot and to alleviate any unsightly problems associated with the Common Areas or a Lot. Thereafter, the Association and each Owner shall be obligated to pay to the Proper Governmental Authority, its costs for all improvements, work, and/or labor, supplied or furnished to the Common Areas or a Lot. The obligation to pay said costs shall be a personal obligation of the Association and each Owner, jointly and severally. All such costs shall be paid to the

Proper Governmental Authority within ten (10) days of receipt from the Proper Governmental Authority of a statement for such costs, which receipt shall be required to be served upon the President of the Association only. All Owners hereby waive notice of receipt of said statement for such costs. In order to secure payment at and after the due date, there shall arise a continuing lien and charge against each Lot in favor of the Proper Governmental Authority, the amount of which shall include cost and reasonable attorney's fees to the extent permitted by law. The Proper Governmental Authority, may bring an action at law against the Association and/or any Owner, or foreclose the lien against any property owned by any Owner. Neither the Association nor any Lot Owner may waive or otherwise escape liability for the cost incurred by the Proper Governmental Authority, as described herein.

Section 15. Antennae. No radio, television transmission or reception antennae, towers or satellite receiving apparatus shall be erected on the Property unless approved by the Architectural Control Committee. In no event shall free standing transmission or receiving towers or satellite dishes be permitted.

Section 16. Window Air Conditioners. No window air conditioning units shall be installed without prior written approval of the Architectural Control Committee.

Section 17. Trailers, Trucks, School Buses, Boats, Boat Trailers. No house trailers or mobile homes, school buses, trucks or commercial vehicles over one (1) ton capacity, boats or boat trailers shall be kept, stored or parked overnight either on any street or on any Lot, except within enclosed garages or completely screened from view. Notwithstanding the foregoing, passenger automobiles may be parked in driveways, if the number of vehicles

owned by the Owner exceeds the capacity of the garage. The foregoing will not be interpreted, construed, or applied to prevent the temporary nonrecurrent parking of any vehicle, boat or trailer for a period not to exceed forty-eight (48) hours upon any Lot.

Section 18. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers designed for that purpose. All incinerators or other equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition. If such litter or other materials is found on any Lot, the same will be removed by the Owner of such Lot, at the Owner's expense, upon written request of the Architectural Control Committee or the Board.

Section 19. Changing Elevations. No Owner shall excavate or extract earth from a Lot for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grade of surrounding Lots, unless approved in writing by the Architectural Control Committee.

Section 20. Sewage System. Sewage disposal shall be through municipal system or type approved by appropriate State and local agencies.

Section 21. Water System. Water shall be supplied through municipal system or type approved by appropriate State and local agencies.

Section 22. Utility Facilities. Declarant reserves the right to approve the necessary construction, installation and maintenance of utility facilities, including but not limited to water, telephone and sewage systems, within this proposed area, which may be in variance with these restrictions.

Section 23. Driveways and Entrance to Garage. All driveways and entrances to garages shall consist of a substance approved in writing by the Architectural Control Committee and of a uniform quality.

Section 24. Garages. Each dwelling must have a garage of sufficient size to house at least two (2) standard passenger automobiles. All garages must be substantial and conform architecturally to the dwelling to which they relate. When garages are not in use, garage doors shall be closed. Garages shall be used only for parking motor vehicles, hobbies and storing Owner's household goods. All garages shall be equipped with automatic door operators. It shall not be permissible to erect any Structure which has a garage door opening on the front of said structure and all garages must open on the side or rear. On corner lots garage doors must not face either street.

Section 25. Use and Protection of Lake. (i) The Lake shall be for the exclusive use and benefit of the Owners subject, however, to the limitations, restrictions and reservations stated herein:

The Association, or its duly authorized agents, shall have the right, but not the obligation, at any time, from time to time, without any liability to the Owner for trespass or otherwise, to enter upon any Lot which abuts the Lake for the purpose: (1) of maintaining the Lake; (2) of removing any improvement constructed or maintained upon such Lot in violation of the provisions hereof; (3) of restoring such Lot as authorized; and (4) of otherwise enforcing, without any limitation, all of the restrictions as set forth as a part of this Declaration.

The responsibility for the general maintenance of the Lake is that of the Association. The Association shall also have the power and authority from time to time, in its own name, or its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise all of the provisions of this Declaration.

No Owner shall construct or maintain any improvement upon any Lot which would, in the judgment of the Association, detrimentally affect the normal water level of the Lake. No docks, fences or structures may be constructed on any Lot unless prior written approval of the Architectural Control Committee is given. No Owner may fill the Lake, draw water from the Lake nor place solid material or liquids in the Lake.

(ii) The use of the Lake shall be subject to the Liberty Downs Homeowners Association Rules.

There shall be no use of the Lake except natural recreational uses which do not injure or scar the Lake, increase the cost of maintenance thereof, or cause unreasonable embarrassment, disturbance or annoyance to Owners in their enjoyment of their Lot, or in their enjoyment of the Lake.

(iii) Neither the Declarant nor the Association shall be responsible for control over the level of water in any Lake. Nor shall Declarant or the Association be liable for damages in any way for an increase or decrease to the water level of the Lake. Each Owner agrees that he will not bring any action or suit against Declarant or Association to recover for any damage caused by an increase or reduction in the water level of the Lake.

Section 26. Boats. No gasoline or fuel powered boats are allowed on the Lake.

Section 27. Perimeter Screening. Any and all walls, fencing, landscaping, or other screening installed by Declarant on or along the perimeter of the Property as part of the Work and any signs located thereon within the Landscape and Fence Easements which constitute an improvement to each Lot upon or along which it is situated and the property of the Owner of

such Lot. The Association will be responsible for all costs of maintaining, repairing and replacing both the exterior and interior portion situated on or along such Lot. Any such wall or fence shall be considered part of the perimeter screening regardless of whether it is located in a public right-of-way or on a Lot. To assure visual uniformity on the side of all such walls, fencing, or other screening facing the exterior perimeter of the Property, the Architectural Control Committee may establish when, how and with what materials any required maintenance, repair and replacement will be performed.

ARTICLE VII

EASEMENTS

Lots subjected to this Declaration shall be subject to those easements, if any, shown as set forth on the Plat thereof.

The following easements are reserved to Declarant, its successors and assigns so long as Declarant owns a Lot, and thereafter to the Association hereby, (a) over twenty (20') feet on either side of the center of each side line of each Lot and across the rear ten (10') feet of each lot subjected to this Declaration unless size of easement is increased by the Plat or designated thereon, for (i) the erection, installation, construction, and maintenance of wires, lines, conduits, and poles and the necessary or proper attachments in connection with the transmission of electricity, telephone, cable television and other utilities and similar features; and (ii) the erection, installation, construction and maintenance of storm water drains, land drains, public and private sewers, pipelines for supplying gas, water and heat, and for any other public or quasi-public facility, service or function, and (b) Landscape and Fence Easement areas as shown on the Plat for the

erection, installation, construction, and maintenance of such signs and plantings as the holder of this easement may deem appropriate. Within these easements, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of the easements.

The appearance of the easement area of each Lot and all improvements in it (other than signs and landscaping installed pursuant to the above Landscape and Fence Easements) shall be maintained continuously by the Owner of the Lot. Each Owner is responsible for damage to or destruction of the easement area and all improvements on it caused directly or proximately by the acts or omissions of such Owner and any guests, invitees, residents or other persons occupying or present upon said Lot.

To the extent that any land or improvement which constitutes part of the Property, now or hereafter supports or contributes to the support of any land or improvement constituting another part of the Property, the aforesaid land or improvement, or both land and improvement is hereby burdened with an easement for support for the benefit of the Property or Lot as the case may be. The easement for support shall be an easement appurtenant and run with the land at law.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. Each Lot Owner shall comply strictly with the covenants, conditions, restrictions and easements set forth in this Declaration. In the event of a violation or breach, or threatened violation or breach, of any of the same, the Declarant, the Architectural Control Committee, the Association or any aggrieved Lot Owner, jointly and severally,

shall have the right to proceed at law or in equity for the recovery of damages, or for injunctive relief, or both. If any Owner or the Association is the prevailing party in any litigation involving this Declaration, then that party also has a right to recover all costs and expenses incurred (including reasonable attorneys' fees). However, no Owner has the right to recover attorneys' fees from or against the Association, unless provided by Law. Failure by the Declarant, the Architectural Control Committee, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

In addition to the above rights, the Association and the Architectural Control Committee shall have a Right of Abatement if the Owner fails to take reasonable steps to remedy any violation or breach within thirty (30) days after written notice sent by certified mail. A Right of Abatement, as used in this Section means the right of the Association or Architectural Control Committee, through its agents and employees, to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions; provided, such entry and such actions are carried out in accordance with the provisions of this Article. The cost thereof including the costs of collection and reasonable attorneys' fees, together with interest thereon at eight percent (8%) per annum, shall be a binding personal obligation of such Owner, enforceable at law, and shall be a lien on such Owner's lot enforceable as provided herein.

Section 2. Severability. If any term or provision of this Declaration or the Association Documents or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Declaration and the Association Documents, and the applications thereof, shall not be affected and shall remain in full force and effect and to such extent shall be severable.

Section 3. Duration. This Declaration, inclusive of all easements reserved by or on behalf of the Declarant or Association, shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Owner of any land subject to this Declaration, their respective heirs, legal representatives, successors and assigns, for a term of twenty (20) years from the date this Declaration is filed for record in the Register's Office for Williamson County, Tennessee, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then record Owners of all of the Lots has been recorded, agreeing to change this Declaration in whole or in part. This Declaration may be terminated upon unanimous vote of all Owners and Mortgagees.

Section 4. Amendment. So long as Declarant owns a Lot subject to this Declaration, or additional realty of Declarant as set forth in Article VIII, Section 5 herein of this Declaration, Declarant may, in its sole discretion, except as herein stated, amend this Declaration so long as such amendment is not in violation of the laws of Tennessee and shall not impair or reduce the interest of any Mortgagee or Owner of a Lot unless said Mortgagee or Owner shall consent in writing to such modification or recision of their rights and interests. Such consent shall be filed with such amendment. The Declaration,

as amended, shall be rights and interests appurtenant to the realty owned by Declarant referred to hereinabove and shall run with the land at law.

In addition to the foregoing, this Declaration may be amended by a vote of 75% of the Owners; provided that (1) any such amendment shall not be effective until recorded in the Register's Office for Williamson County, Tennessee, (2) any such amendment shall not adversely affect any rights or interests of Declarant under this Declaration or as the same may be amended by Declarant as provided herein, unless agreed to in writing by Declarant, (3) any such amendment shall not have priority over any amendment made by Declarant, as long as Declarant owns a Lot, and (4) any such amendment shall not alter, modify or rescind any right, title, interest or privilege herein granted or accorded to any Mortgagee of a Lot affected thereby unless such holder shall consent in writing thereto, which consent shall be filed with such amendment.

Every purchaser or grantee of any interest in any real property now or hereafter subjected to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that this Declaration may be amended as provided in this Section.

Section 5. Annexation. Without further assent or permit from any Owner or holder of a Mortgage on any lot, Declarant at its sole discretion for itself, its successors and assigns, hereby reserves the right, exercisable from time to time, not to exceed ten (10) years, to extend the scheme of this Declaration to other real property.

Section 6. Amplification. The provisions of this Declaration are amplified by the Association Documents and By-Laws; but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of this

Declaration on the one hand, and the Association Documents on the other be interpreted, construed, and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles or By-Laws to the contrary.

Section 7. Permission. When any act by any party affected by this Declaration, which by the terms of this Declaration requires the permission or consent of the Declarant, such permission or consent shall only be deemed given when it is in written form, executed by the Declarant.

Section 8. Applicable Law. The law of the state of Tennessee shall govern the terms and conditions of this Declaration.

Section 9. Definitions. Whenever used herein and appropriate, the singular shall include the plural, the plural shall include the singular, and any gender shall include the others.

Section 10. Captions. The captions in this Declaration are for convenience only and shall not be deemed to be part of this Declaration or construed as in any manner limiting the terms and provisions of this Declaration to which they relate.

Section 11. Notice. Any notice required or permitted to be given pursuant to this Declaration shall be in writing sent by prepaid, first class mail to such address of the Person to be notified as such Person may have designated or as would be reasonably anticipated to effectuate receipt of the notice, unless otherwise stated herein. Any such notice shall be effective upon mailing in conformity with this Declaration. If any Person consists of more than one Person or entity, notice to one as provided herein shall be notice to all.

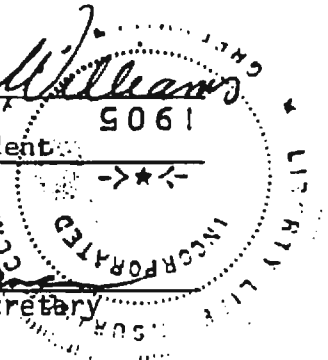
IN WITNESS WHEREOF, the Declarant, Liberty Life Insurance Company, has caused these presents to be executed in its corporate name by its officers thereunto duly authorized and its corporate seal properly attested to be hereto affixed on the day and year first above written.

Executed and declared in the presence of:

Robert T. Coleman
Witness
June E. Kershaw
Witness

LIBERTY LIFE INSURANCE COMPANY

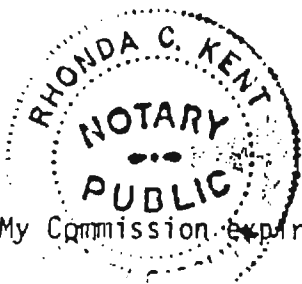
By: Martha G. Williams
Title: Vice President
Attest: C. Allen [Signature]
Assistant Secretary



STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)

Before me, Rhonda C. Kent, a Notary Public of the State and County aforesaid, personally appeared Martha G. Williams, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be an authorized officer of LIBERTY LIFE INSURANCE COMPANY, the within named bargainer, a South Carolina corporation, and that he as such authorized officer, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as authorized officer.

Witness my hand and seal, at office in Greenville, South Carolina, this 23rd day of May, 1986.



My Commission Expires: 5/7/95

Rhonda C. Kent
Notary Public